ABSTRACT OF THE DISCLOSURE

The digital camera includes an image pickup unit, an image storing unit, an image display unit, a reference image designating unit with which one or more of at least partial areas of an image to be referenced for image compositing are designated as a reference image area and an image compositing unit which produces a composite image such that a reference image within the reference image area is displayed as superposed on an image being presently photographed. The image processing method attaches first identification information to one or more of at least partial areas of the specified image and designated area information upon photographing, attaches second identification information to an image in an shooting frame to be composited with the reference image and prepares image data for a composite image obtained by compositing the image with the reference image based on the first and second identification information as well as the designated area information.